

DORSEY, KING, GRAY, NORMENT & HOPGOOD
ATTORNEYS-AT-LAW

2008-00218

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June 9, 2008

FEDEX

RECEIVED

JUN 10 2008

PUBLIC SERVICE
COMMISSION

Ms. Stephanie stumbo
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Re: Kenergy Corp.
2008 TIER 3 Energy for Alcan Primary Products
Corporation; Amendment
Wholesale Supplier: Big Rivers
Electric Corporation

Dear Ms. O'Donnell:

Kenergy Corp. ("Kenergy") requests the Commission's acceptance of a special retail contact amendment regarding the above. The underlying contract was accepted in PSC Case No. 2007-00544

At the request of Alcan Primary Products Corporation ("Alcan") Kenergy has entered into a First Amendment with Big Rivers Electric Corporation ("Big Rivers") for the purchase of energy to be sold retail to Alcan commencing July 1, 2008. Enclosed please find the executed original and one copy of Request for Power, First Amendment, and Consent. These three (3) documents comprise the special retail contract amendment that Kenergy requests the Commission to accept.

Additionally, the Commission is requested to issue a separate acceptance letter regarding the First Amendment between Big Rivers and Kenergy, which covers the wholesale side of this transaction.

Page Two
June 9, 2008

In light of the July 1, 2008, effective date for this transaction Kenergy respectfully requests that the notice period be shortened to 20 days.

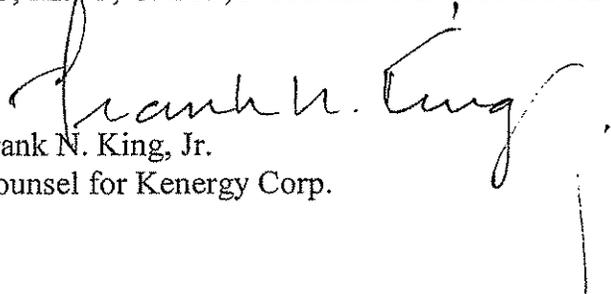
You will note that the signatures on the First Amendment are copies rather than originals. Signature pages with original signatures are being obtained and will be provided to the Commission forthwith.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By


Frank N. King, Jr.
Counsel for Kenergy Corp.

FNKJr/cds
Encls.
COPY/w/encls.:

Mr. David Brown
Mr. James Miller
Mr. David Hamilton
Mr. David Spainhoward

**FIRST AMENDMENT
TO
AGREEMENT FOR TIER 3 ENERGY
DATED NOVEMBER 29, 2007**

THIS FIRST AMENDMENT is entered into as of this 6th day of June, 2008, by and between KENERGY CORP., a Kentucky electric cooperative corporation organized under KRS Chapter 279 ("Kenergy"), and BIG RIVERS ELECTRIC CORPORATION, a Kentucky electric cooperative corporation ("Supplier" or "Big Rivers").

RECITALS:

A. Kenergy and Supplier have entered into an Agreement for Tier 3 Energy dated November 29, 2007 (the "Agreement") pursuant to which Supplier agreed to sell to Kenergy and Kenergy agreed to purchase from Supplier for resale to Alcan Primary Products Corporation ("Alcan") in 2008 certain volumes of Tier 3 Energy including Tier 3 Energy denominated as Block A Energy for delivery during On-Peak Hours on Mondays through Fridays but excluding NERC Holidays.

B. The rates, terms and conditions contained in the Agreement have been accepted by the Kentucky Public Service Commission for resale by Kenergy to Alcan in 2008 (see KPSC Case No. 2007-00544).

C. Supplier and Kenergy have now agreed to amend the Agreement for the sole purpose of supplying additional Block A Energy, denominated herein as Block A-1 Energy, to Kenergy during On-Peak Hours on Saturdays, Sundays and NERC Holidays but only during the ten (10) week period from July 1, 2008 through September 9, 2008.

D. The Parties desire to document the foregoing Agreement by entering into this First Amendment.

NOW, THEREFORE, in consideration of the mutual covenants set forth below, the

parties agree as follows:

1. The definition of Block A Energy set forth in Section 2.05 is hereby amended as follows:

Block A – (i) a block of 50 MW of System Firm Tier 3 Energy for delivery in On-Peak Hours Mondays through Fridays in year 2008 but excluding NERC Holidays, as set forth in Article V of this Agreement (“Block A Energy”) and (ii) an additional block of 50 MW of System Firm Tier 3 Energy for delivery in On-Peak Hours on Saturdays, Sundays and NERC Holidays, as set forth in Section 5.07 of this Agreement (“Block A-1 Energy”) during the Block A-1 Delivery Term.

2. The definition of On-Peak Hours set forth in Section 3.42 is hereby amended as follows:

Section 3.42 On-Peak Hours: The sixteen hour period beginning at 6:00 A.M. and ending at 10:00 P.M.

3. Section 4.05 of the Agreement is hereby amended as follows:

Section 4.05 Term. The delivery obligation of Supplier and the purchase obligation of Kenergy with respect to Block A Energy, Block B Energy and Block C Energy shall commence at 12:00 AM on January 1, 2008 and terminate at midnight on December 31, 2008 (the “Delivery Term”), unless earlier terminated pursuant to Section 12.06; provided, however, that the delivery obligation of Supplier and the purchase obligation of Kenergy with respect to that portion of Block A Energy denominated as Block A-1 Energy shall be only during On-Peak Hours on Saturdays, Sundays and NERC Holidays during the ten (10) week period from July 1, 2008 through September 9, 2008, unless earlier terminated pursuant to Section 12.06 or unless extended by mutual agreement of the Parties and Big Rivers (the “Block A-1 Delivery Term”).

4. The first sentence of Section 5.01 is hereby amended as follows:

During the Delivery Term, Supplier shall sell and deliver to Kenergy at the Alcan Point of Delivery, subject to Permitted Curtailments, and Kenergy shall purchase from Supplier and pay for a block of 50 MW of Energy during all On-Peak Hours Mondays through Fridays but excluding NERC Holidays (“Block A Energy”).

5. The Agreement is hereby amended and supplemented by adoption of the following new Section 5.07:

Section 5.07. Block A-1 Energy.

(A) During the Block A-1 Delivery Term, the delivery obligation of Supplier and the purchase obligation of Kenergy of Block A Energy shall be increased from 50 MW during On-Peak Hours Mondays through Fridays but excluding NERC Holidays to 50 MW during On-Peak Hours; provided, however, that the Base Rate for the 50 MW of Block A Energy denominated as Block A-1 Energy shall be \$33.00 per MWH.

(B) The parties agree that all terms and conditions of the Agreement with respect to the supply of Block A Energy shall apply with equal force to the provision of Block A-1 Energy during the Block A-1 Delivery term, such sections including but not limited to, Sections 3.07, 3.10, 3.11, 3.12, 3.13, 3.14, 3.41, 3.45, 3.47, 3.48, 3.53, 5.01 (other than the Block A Base Rate), 5.02, 5.03, 5.04, 5.05 and 12.06.

6. This First Amendment shall become effective on the date it is executed and delivered by the Parties. Notwithstanding the effective date of this First Amendment, the delivery obligation of Supplier and the purchase obligations of Kenergy with respect to Block A-1 Energy are subject to the condition that the Parties have received Kentucky Public Service Commission acceptance of the rates, terms and conditions of the resale by Kenergy to Alcan of Block A-1 Energy. As soon as such condition has been satisfied, Kenergy shall promptly provide written notice to Alcan and Supplier that the condition has been satisfied. Unless waived by Supplier in writing, the condition contained in this Section 6 shall not be deemed satisfied until Supplier has received such notice. Failure of any such acceptance shall not affect the previously approved rates, terms and conditions contained in the Agreement with respect to deliveries of all Tier 3 Energy other than Block A-1 Energy.

7. All other terms and conditions of the Agreement shall remain in full force and effect and shall apply to the provision of service under this Amendment.

IN WITNESS WHEREOF, this First Amendment is hereby executed as of the day and year first above written.

KENERGY CORP.

By: Sanford Nozick
Sanford Nozick
President and CEO

BIG RIVERS ELECTRIC CORPORATION

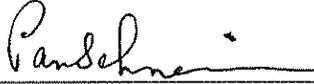
By: Mark A. Bailey
Mark A. Bailey
Executive Vice President

CONSENT

Alcan Primary Products Corporation ("Alcan") hereby agrees with Kenergy Corp. ("Kenergy") and Big Rivers Electric Corporation ("Big Rivers") that Alcan has reviewed the First Amendment dated June 6, 2008 to the Agreement for Tier 3 Energy dated November 29, 2007 (the "First Amendment") for delivery of Tier 3 Energy from July 1, 2008 through September 9, 2008, and hereby consents to the execution, delivery and performance of the First Amendment by Kenergy and Big Rivers for all purposes.

Dated: June 6, 2008

ALCAN PRIMARY PRODUCTS CORPORATION

By: 

Pam Schneider
Treasurer

REQUEST FOR POWER

Alcan Primary Products Corporation ("Alcan") hereby requests Kenergy Corp. ("Kenergy") to purchase the following volume of Tier 3 Energy from Big Rivers Electric Corporation ("Big Rivers") in accordance with the rates, terms and conditions set forth in the First Amendment dated June 6, 2008 to the Agreement for Tier 3 Energy dated November 29, 2007, between Kenergy and Big Rivers (the "First Amendment"):

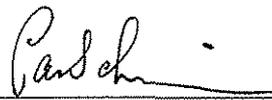
A block of 50 MW of System Firm Tier 3 Energy for delivery during On-Peak Hours on Saturdays, Sundays and NERC Holidays during the ten (10) week period from July 1, 2008, through September 9, 2008, as set forth in paragraph 1 of the First Amendment.

In consideration thereof, Alcan agrees to purchase from Kenergy at retail the delivered amounts of such Tier 3 Energy on the same terms and conditions and at the same rates contained in the First Amendment plus the applicable distribution fee included in Kenergy's smelter tariff plus charges for transmission and ancillary services, if any, with respect such Tier 3 Energy.

The terms and conditions of the Agreement for Electric Service between Kenergy and Alcan dated July 15, 1998 (the "Alcan Power Agreement") are, to the extent applicable, incorporated herein by reference.

This the 6th day of June, 2008.

ALCAN PRIMARY PRODUCTS CORPORATION

By: 

Pam Schneider
Treasurer

DORSEY, KING, GRAY, NORMENT & HOPGOOD
ATTORNEYS-AT-LAW

318 SECOND STREET
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PUBLIC SERVICE
COMMISSION

Ms. Stephanie Stumbo
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Re: Kenergy Corp.
2008 TIER 3 Energy for Century Aluminum of
Kentucky General Partnership; Amendment
Wholesale Supplier: Big Rivers
Electric Corporation

Dear Ms. Stumbo:

Kenergy Corp. ("Kenergy") requests the Commission's acceptance of a special retail contact amendment regarding the above. The underlying contract was accepted in Case No. 2007-00544.

At the request of Century Aluminum of Kentucky General Partnership ("Century") Kenergy has entered into a First Amendment with Big Rivers Electric Corporation ("Big Rivers") for the purchase of energy to be sold retail to Century commencing July 1, 2008. Enclosed please find the executed original and one copy of Request for Power, First Amendment, and Consent. These three (3) documents comprise the special retail contract amendment that Kenergy requests the Commission to accept.

Additionally, the Commission is requested to issue a separate acceptance regarding the First Amendment between Big Rivers and Kenergy, which covers the wholesale side of this transaction.

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June 9, 2008

In light of the July 1, 2008, effective date for this transaction Kenergy respectfully requests that the notice period be shortened to 20 days.

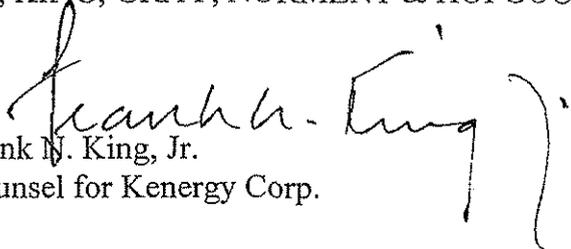
You will note that the signatures on the First Amendment are copies rather than originals. Signature pages with original signatures are being obtained and will be provided to the Commission forthwith.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By


Frank N. King, Jr.
Counsel for Kenergy Corp.

FNKJr/cds

Encls.

COPY/w/encls.: Mr. David Brown
Mr. James Miller
Mr. David Hamilton
Mr. David Spainhoward

**FIRST AMENDMENT
TO
AGREEMENT FOR TIER 3 ENERGY
DATED NOVEMBER 29, 2007**

THIS FIRST AMENDMENT is entered into as of this 6th day of June, 2008, by and between KENERGY CORP., a Kentucky electric cooperative corporation organized under KRS Chapter 279 ("Kenergy"), and BIG RIVERS ELECTRIC CORPORATION, a Kentucky electric cooperative corporation ("Supplier" or "Big Rivers").

RECITALS:

A. Kenergy and Supplier have entered into an Agreement for Tier 3 Energy dated November 29, 2007 (the "Agreement") pursuant to which Supplier agreed to sell to Kenergy and Kenergy agreed to purchase from Supplier for resale to Century Aluminum of Kentucky General Partnership ("Century") in 2008 certain volumes of Tier 3 Energy including Tier 3 Energy denominated as Block A Energy for delivery during On-Peak Hours on Mondays through Fridays but excluding NERC Holidays.

B. *The rates, terms and conditions contained in the Agreement have been accepted by the Kentucky Public Service Commission for resale by Kenergy to Century in 2008 (see KPSC Case No. 2007-00544).*

C. Supplier and Kenergy have now agreed to amend the Agreement for the sole purpose of supplying additional Block A Energy, denominated herein as Block A-1 Energy, to Kenergy during On-Peak Hours on Saturdays, Sundays and NERC Holidays but only during the ten (10) week period from July 1, 2008 through September 9, 2008.

D. The Parties desire to document the foregoing Agreement by entering into this First Amendment.

NOW, THEREFORE, in consideration of the mutual covenants set forth below, the

parties agree as follows:

1. The definition of Block A Energy set forth in Section 2.05 is hereby amended as follows:

Block A – (i) a block of 63 MW of System Firm Tier 3 Energy for delivery in On-Peak Hours Mondays through Fridays in year 2008 but excluding NERC Holidays, as set forth in Article V of this Agreement (“Block A Energy”) and (ii) an additional block of 63 MW of System Firm Tier 3 Energy for delivery in On-Peak Hours on Saturdays, Sundays and NERC Holidays, as set forth in Section 5.07 of this Agreement (“Block A-1 Energy”) during the Block A-1 Delivery Term.

2. The definition of On-Peak Hours set forth in Section 3.42 is hereby amended as follows:

Section 3.42 On-Peak Hours: The sixteen hour period beginning at 6:00 A.M. and ending at 10:00 P.M.

3. Section 4.05 of the Agreement is hereby amended as follows:

Section 4.05 Term. The delivery obligation of Supplier and the purchase obligation of Kenergy with respect to Block A Energy, Block B Energy and Block C Energy shall commence at 12:00 AM on January 1, 2008 and terminate at midnight on December 31, 2008 (the “Delivery Term”), unless earlier terminated pursuant to Section 12.06; provided, however, that the delivery obligation of Supplier and the purchase obligation of Kenergy with respect to that portion of Block A Energy denominated as Block A-1 Energy shall be only during On-Peak Hours on Saturdays, Sundays and NERC Holidays during the ten (10) week period from July 1, 2008 through September 9, 2008, unless earlier terminated pursuant to Section 12.06 or unless extended by mutual agreement of the Parties and Big Rivers (the “Block A-1 Delivery Term”).

4. The first sentence of Section 5.01 is hereby amended as follows:

During the Delivery Term, Supplier shall sell and deliver to Kenergy at the Century Point of Delivery, subject to Permitted Curtailments, and Kenergy shall purchase from Supplier and pay for a block of 63 MW of Energy during all On-Peak Hours Mondays through Fridays but excluding NERC Holidays (“Block A Energy”)

5. The Agreement is hereby amended and supplemented by adoption of the following new Section 5.07:

Section 5.07. Block A-1 Energy.

(A) During the Block A-1 Delivery Term, the delivery obligation of Supplier and the purchase obligation of Kenergy of Block A Energy shall be increased from 63 MW during On-Peak Hours Mondays through Fridays but excluding NERC Holidays to 63 MW during On-Peak Hours; provided, however, that the Base Rate for the 63 MW of Block A Energy denominated as Block A-1 Energy shall be \$33.00 per MWH.

(B) The parties agree that all terms and conditions of the Agreement with respect to the supply of Block A Energy shall apply with equal force to the provision of Block A-1 Energy during the Block A-1 Delivery term, such sections including but not limited to, Sections 3.07, 3.10, 3.11, 3.12, 3.13, 3.14, 3.41, 3.45, 3.47, 3.48, 3.53, 5.01 (other than the Block A Base Rate), 5.02, 5.03, 5.04, 5.05 and 12.06.

6. This First Amendment shall become effective on the date it is executed and delivered by the Parties. Notwithstanding the effective date of this First Amendment, the delivery obligation of Supplier and the purchase obligations of Kenergy with respect to Block A-1 Energy are subject to the condition that the Parties have received Kentucky Public Service Commission acceptance of the rates, terms and conditions of the resale by Kenergy to Century of Block A-1 Energy. As soon as such condition has been satisfied, Kenergy shall promptly provide written notice to Century and Supplier that the condition has been satisfied. Unless waived by Supplier in writing, the condition contained in this Section 6 shall not be deemed satisfied until Supplier has received such notice. Failure of any such acceptance shall not affect the previously approved rates, terms and conditions contained in the Agreement with respect to deliveries of all Tier 3 Energy other than Block A-1 Energy.

7. All other terms and conditions of the Agreement shall remain in full force and effect and shall apply to the provision of service under this Amendment.

IN WITNESS WHEREOF, this First Amendment is hereby executed as of the day and year first above written.

KENERGY CORP.

By: Sanford Nozick
Sanford Nozick
President and CEO

BIG RIVERS ELECTRIC CORPORATION

By: Mark A. Bailey
Mark A. Bailey
Executive Vice President

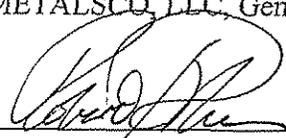
CONSENT

Century Aluminum of Kentucky General Partnership ("Century") hereby agrees with Kenergy Corp. ("Kenergy") and Big Rivers Electric Corporation ("Big Rivers") that Century has reviewed the First Amendment dated June 6, 2008 to the Agreement for Tier 3 Energy dated November 29, 2007 ("First Amendment") for delivery of Tier 3 Energy from July 1, 2008 through September 9, 2008, and hereby consents to the execution, delivery and performance of the First Amendment by Kenergy and Big Rivers for all purposes.

Dated: June 6, 2008

CENTURY ALUMINUM OF KENTUCKY
GENERAL PARTNERSHIP

By: METALSCO, LLC, General Partner

By: 

Robert R. Nielsen
Vice President and Secretary

REQUEST FOR POWER

Century Aluminum of Kentucky General Partnership ("Century") hereby requests Kenergy Corp. ("Kenergy") to purchase the following volume of Tier 3 Energy from Big Rivers Electric Corporation ("Big Rivers") in accordance with the rates, terms and conditions set forth in the First Amendment dated June 6, 2008 to the Agreement for Tier 3 Energy dated November 29, 2007, between Kenergy and Big Rivers (the "First Amendment").

A block of 63 MW of System Firm Tier 3 Energy for delivery during On-Peak Hours on Saturdays, Sundays and NERC Holidays during the ten (10) week period from July 1, 2008, through September 9, 2008, as set forth in paragraph 1 of the First Amendment.

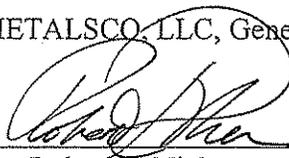
In consideration thereof, Century agrees to purchase from Kenergy at retail the delivered amounts of such Tier 3 Energy on the same terms and conditions and at the same rates contained in the First Amendment plus the applicable distribution fee included in Kenergy's smelter tariff plus charges for transmission and ancillary services, if any, with respect such Tier 3 Energy.

The terms and conditions of the Agreement for Electric Service between Kenergy and Century dated July 15, 1998 (the "Century Power Agreement") are, to the extent applicable, incorporated herein by reference.

This the 6th day of June, 2008.

CENTURY ALUMINUM OF KENTUCKY
GENERAL PARTNERSHIP

By: METALSCO, LLC, General Partner

By: 
Robert R. Nielsen
Vice President and Secretary